

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 SAJ-01 CIAE-00 DODE-00 PM-07 H-03

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FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC 2003

INFO AMEMBASSY BUCHAREST

AMEMBASSY MOSCOW

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY WARSAW

AMCONSUL MUNICH

C O N F I D E N T I A L BUDAPEST 2622

E.O. 11652: GDS

TAGS: PFOR, PINT, HU, UR

SUBJ: KADAR VISIT TO MOSCOW

REF: (A) BUDAPEST 2526, (B) BUDAPEST 2499

1. HSWP PARTY JOURNAL NEPSZABADSAG IN FRONT-PAGE THREE-COLUMN HEADLINE SEPT. 15 ANNOUNCED THAT HUNGARIAN PARTY AND GOVERNMENT DELEGATION HEADED BY PARTY FIRST SECRETARY JANOS KADAR WOULD PAY "AN OFFICIAL FRIENDLY VISIT TO THE SOVIET UNION LATE IN SEPTEMBER AT INVITATION OF CPSU CENTRAL COMMITTEE, PRESIDENT OF SUPREME SOVIET AND COUNCIL OF MINISTERS".

2. SINCE HUNGARIANS ALMOST NEVER ANNOUNCE VISITS BY HIGH PARTY AND GOVERNMENT OFFICIALS UNTIL SHORTLY BEFORE VISIT OR ARRIVAL OF PRINCIPALS AT THEI DESTINATIONS, ADVANCE ANNOUNCEMENT OF KADAR VISIT TO USSR IS MOST UNUSUAL. SO FAR, ANNOUNCEMENT OF VISIT OF HUNGARIAN LEADER HAS NOT BEEN FOLLOWED BY EDITORIAL COMMENT, IN ITSELF SOMEWHAT CONFIDENTIAL

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REMARKABLE. NEPSZABADSAG ANNOUNCEMENT HAS TOUCHED OFF

FLURRY OF SPECULATION HERE IN DIPLOMATIC CIRCLES RE REAL PURPOSE OF TRIP. MOST OFTEN HEARD SPECULATION IS THAT MOSCOW'S EFFORTS TO MANEUVER A NEW CANDIDATE (OSTENSIBLY NEMETH) INTO KEY POSITION HAS CAUSED INTERNECINE STRIFE IN HSWP RESULTING IN KADAR USING TACTIC OF THREATENING TO RESIGN IF SUCH INTERFERENCE IS NOT HALTED. IN THIS FRAMEWORK VISIT TO MOSCOW IS INTERPRETED AS LIKELY TO RESULT IN SUCCESSFUL SOVIET EFFORT TO "PERSUADE" KADAR TO REMAIN ON THE SCENE EITHER IN HIS PRESENT CAPACITY AS FIRST SECRETARY OR IN A NEWLY CREATED ROLE AS PRESIDENT OF PARTY. HOWEVER, WE KNOW OF NO FACTUAL BASIS FOR SUCH SPECULATION OTHER THAN NEMETH'S ELEVATION LAST FALL AND ATTENTION HE HAS RECENTLY BEEN RECEIVING IN HUNGARIAN PRESS.

3. IN ANY CASE FACT THAT KADAR ONLY JUST RETURNED AUG 5 FROM VISIT TO MOSCOW (WE NOTE PRESS SAID MEETING WITH BREZHNEV WAS MARKED "BY FULL IDENTITY OF VIEWS ON ALL QUESTIONS DISCUSSED") AND THAT MEETING OF PARLIAMENT IS OR HAD BEEN PLANNED FOR EARLY OCT WOULD SEEM TO INDICATE CERTAIN URGENCY IS INVOLVED IN HIS RETURN THIS TIME WITH A FULL DELEGATION.

4. SEEMS HIGHLY UNLIKELY THAT HIGH-LEVEL PARTY AND GOVT DELEGATION HEADED BY KADAR IS GOING TO MOSCOW IN CONNECTION WITH UPCOMING EUROPEAN PARTY CONFERENCE. THIS MATTER PROBABLY WAS DEALT WITH BY KADAR ON HIS AUGUST VISIT, AND IF NOT THEN, BY NEMETH IN HIS (REFTEL B).

5. SOVIET ROLE IN GOH NEXT FIVE YEAR PLAN--ESPECIALLY ENERGY RESOURCES AND THEIR PRICES--COULD BE ANOTHER EXPLANATION, ESPECIALLY AS FALL PARLIAMENT WILL DEAL WITH FOREIGN TRADE QUESTIONS AND HUNGARY IS CURRENTLY HAVING DIFFICULT TIME IN HOLDING LINE AGAINST INFLATION. IMPORTANCE OF ECONOMIC ELEMENT IN GOH-USSR RELATIONS WAS REFLECTED IN THIS SUMMER'S VISITS TO MOSCOW OF VICE PREMIERS HUSZAR AND LAZAR, FOREIGN TRADE MINISTER BIRO, AND MINISTER OF METALLURGY HORGOS. IN SPITE OF, OR BECAUSE OF, THEIR CLOSE TIES, ECONOMIC RELATIONS ARE NOT ALWAYS SMOOTH. SOVIET IRRITATION AT FOCK'S ATTITUDE RE SOVIET ECONOMIC POLICY TOWARDS HUNGARY LAST YEAR IS ALREADY CONFIDENTIAL

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WELL KNOWN. AND IT IS OBVIOUS THERE WILL BE DIFFERENCES ON PRICES. MAIN HUNGARIAN CONCERN, HOWEVER, WOULD LIKELY BE MAXIMIZATION SOV RAW MATERIAL SUPPLIES DURING NEXT FIVE YEAR PLAN. ONE ELEMENT ARGUING AGAINST ECONOMIC RELATIONS BEING KEY ELEMENT, HOWEVER, WAS INTENT BIRO TO GO TO U.S. DURING PROBABLY TIME FRAME OF MOSCOW VISIT.

6. IN ECONOMIC AREA IT IS ALSO POSSIBLE, GIVEN LAST SPRING'S

PROBLEMS, THAT SOVS ARE PUTTING PRESSURE ON GOH OVER NEM ITSELF. IF SO, ISSUE WOULD OBVIOUSLY HAVE TO BE SOLVED WELL IN ADVANCE OF PARTY CONGRESS, ELSE INTELLIGENT PLANNING WOULD NOT BE POSSIBLE. CONCEIVABLE, FOR EXAMPLE, THAT NEMETH'S RECENT VISIT COULD HAVE DEALT WITH SUCH MATTER, AND UNSUCCESSFULLY, THUS REQUIRING FULL-SCALE PARTY AND GOVT MEETING.

7. MOST WESTERN DIPLOMATS NOW EXPECT THAT SUBSTANTIAL CHANGES IN PARTY AND GOVT WILL TAKE PLACE DURING MARCH HSWP CONGRESS. TWO MEMBERS FONOFF HAVE RECENTLY REFERRED TO SUCH POSSIBILITY TO US IN PRIVATE CONVERSATIONS, THOUGH MINIMIZING POLITICAL IMPORTANCE OF POSSIBLE CHANGES. AS DEVELOPMENTS OF LAST SPRING ALREADY LIKELY TO PRODUCE SUBSTANTIAL CHANGES IN POLITICAL COMMITTEE AND AS MANY OF KADAR'S CLOSEST ASSOCIATES HAVE BEEN IN OFFICE FOR 15-20 YEARS AND ARE ON VERGE OF RETIREMENT, PERSONNEL CHANGES COULD EASILY BE THE TOPIC OF THE MEETING EVEN IF SPECULATION ABOUT NEMETH IS ERRONEOUS.

8. OUR EVIDENCE IS CURRENTLY SKETCHY RE PURPOSE OF KADAR TRIP, AND WE CANNOT YET BE CONFIDENT WHETHER SOME BASIC DIFFERENCES OF VIEW WITH REGARD TO POLICY, CADRE, ECONOMIC OR BOTH, HAVE SURFACED SINCE KADAR'S RECENT VISIT TO MOSCOW OR WHETHER THIS IS PRELIMINARY TO MAJOR DECISIONS GOH HAS TO MAKE ON ECONOMY, GOVT AND PARTY AT NEXT PARTY CONGRESS. UNUSUAL STEP OF ADVANCE NOTIFICATION OF VISIT TO PUBLIC CLEARLY ALERTS POLITICALLY AWARE HUNGARIANS OF PARTICULAR IMPORTANCE OF MEETING. IT ALSO BRINGS HOME THAT IT IS KADAR WHO IS IN CHARGE. FURTHER LIGHT MAY BE SHED ON MAIN PURPOSE OF VISIT WHEN MEMBERSHIP OF DELEGATION IS REVEALED AND WHEN WE HAVE HAD CHANCE TO TALK TO MORE HUNGARIANS.

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